

# Heading for the Exit

PRE-SALE CONSIDERATIONS TO MAXIMIZE SELLER LEVERAGE

October 13, 2017



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## Why Preparing for an Exit is Critical

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- Best outcomes arise from good preparation
- Premium buyers do not like to deal with issues requiring fixing
- Deal fatigue makes cowards of us all (especially clients)
- Cost to fix increases as you approach closing
- Waiting to fix problems can eliminate otherwise attractive solutions
- Fixing problems early can increase sale proceeds received and reduce holdbacks/escrows/special indemnities
- Unresolved problems hand negotiating leverage to the buyer

## Typical Problems in Sales

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- Cap Table Cleanup
- Employee misclassification
- Tax issues
- IP issues
- Onerous contracts or nearly expired favorable contracts
- Liabilities
- Minority Owners, management, and key personnel not on board
- Immigration issues
- Environmental issues
- Failure to tightly control the sale process

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## Title search: Heading for the Exit: Pre-Sale Considerations to Maximize Seller Leverage

Also available as part of the eCourse

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First appeared as part of the conference materials for the  
13<sup>th</sup> Annual Mergers and Acquisitions Institute session

"Heading for the Exit: Pre-Sale Considerations to Maximize Seller Leverage"